

Message Text

UNCLASSIFIED

PAGE 01 STATE 078272
ORIGIN COME-00

INFO OCT-01 EUR-12 ISO-00 EB-08 DOTE-00 /021 R

DRAFTED BY COM/OED/MEPD/JLSMITH/MM
APPROVED BY EB/OCA/CM/JJREILLY
COM/OED/MEPD/JNRANDOLPH,JR.
COM/OED/MEPD/SMCONGER,DIR.
COM/BIC/OBOD-JHARDISTY (PHONE)
COM/BIC/OIM-EMBELDEN (INFO)
BIEPR/OTP-ASTOLLER (DRAFT)
DOT/OST-MSULLIVAN (INFO)
STATE/EUR/CAN-JHROUSE (PHONE)
EUR/RPE/RBRESLER

-----080731Z 116683 /13

R 072246Z APR 77
FM SECSTATE WASHDC
TO AMEMBASSY OTTAWA
INFO AMCONSUL MONTREAL
AMCONSUL TORONTO

UNCLAS STATE 078272

E.O. 11652: N/A

TAGS: BENC, CA

SUBJECT: MAJOR PROJECT: TRANSPORT CANADA RAILCAR
PROCUREMENT

REF: SMITH-ERICKSON TELCON 4/4/77

1. TRANSPORT CANADA, WITH TECHNICAL ASSISTANCE OF
CANADIAN NATIONAL RAILWAYS AND CANADIAN PACIFIC, IS
TENDERING FOR TEN TO ONE HUNDRED PASSENGER CARS. ITS.
PUBLISHED STATEMENT ON "EQUIPMENT EVALUATION PROCEDURE",
ANNEX 'A', STATES "THE SUCCESSFUL TENDERER WILL NOT
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 078272

NECESSARILY BE THE LOWEST BIDDER, BUT RATHER, THE ONE
WHOSE TENDER BEST MEETS THE OVERALL OBJECTIVE OF THE
PROJECT. THE EVALUATION PROCEDURE WILL CONSIDER THREE
BROAD ASPECTS: ECONOMIC, TECHNICAL AND COMMERCIAL."
THE SECTION TITLED "COMMERCIAL ASPECTS" STATES "THE
COMMERCIAL EVALUATION WILL CONSIDER ITEMS SUCH AS
DELIVERY DATES, THE DEGREE OF FOREIGN CONTENT AND THE

PERFORMANCE OF THE FIRM AND THE POTENTIAL OF THE EQUIPMENT IN THE EXPORT MARKET...THE EXPORT ASSESSMENT OF THE FIRMS WILL BE MADE ON A JUDGEMENTAL BASIS."

2. WE UNDERSTAND THREE GROUPS ARE COMPETING FOR THIS ORDER. CANADIAN VICKERS, MLW/BOMBARDIER OFFERING THE

"LRG" EQUIPMENT DEVELOPED WITH ASSISTANCE FROM THE GOC, AND THE BUDD CO. OF PHILADELPHIA, OFFERING MODIFIED VERSION OF AMFLEET PASSENGER CARS CURRENTLY IN PRODUCTION AND IN OPERATION BY AMTRAK. BUDD HAS APPROACHED COMMERCE FOR ASSISTANCE ON THIS ORDER, WHICH MAY AMOUNT TO 50 MILLION DOLLARS AND SEVERAL THOUSAND MAN YEARS OF LABOR AT ITS FACTORY IN PENNSYLVANIA.

3. BUDD BELIEVES TRANSPORT CANADA IS VERY INTERESTED IN THE BID IT SUBMITTED, CITING NUMEROUS FOLLOW-UP INQUIRIES, PLANT VISITS BY GOC, CNR, AND CP PERSONNEL, AND VISIT TO AMTRAK IN WASHINGTON TO VERIFY INFORMATION OBTAINED FROM BUDD. COMPANY BELIEVES THIS INTEREST GENERATED BY ATTRACTIVE PRICE IT OFFERED FOR EQUIPMENT

NOW IN PRODUCTION. COMPANY IS CONCERNED ABOUT EVALUATION CRITERIA CITED IN PARA ONE, BELIEVING IT DISCRIMINATES AGAINST U.S. MANUFACTURERS AND CONCERNED THAT TRANSPORT CANADA WILL NOT PROVIDE ASSESSMENT OF HOW HEAVILY THIS CRITERION WILL COUNT IN TENDER EVALUATION.

4. CANADIAN MANUFACTURERS HAVE BEEN VERY SUCCESSFUL IN UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 078272

SELLING RAILCARS TO U.S. IN RECENT YEARS. DURING 1976 ALONE, 272 CANADIAN TRANSIT CARS WERE SOLD TO SOUTH CHICAGO SUBURBAN TRANSIT DISTRICT, BOSTON METROPOLITAN TRANSIT AUTHORITY, AND DELAWARE RIVER PORT AUTHORITY; AMTRAK IS ALSO LEASING TWO LRC TRAINS. ACQUISITION OF EQUIPMENT BY TRANSIT PROPERTIES IN U.S. IS SUPPORTED BY FEDERAL GRANTS.

5. IF EMBASSY HAS NO OBJECTION, IT IS REQUESTED TO CONTACT APPROPRIATE GOC OFFICIALS, ON INFORMAL BASIS, TO INDICATE USG INTEREST IN EQUITABLE TREATMENT FOR ALL BIDDERS ON TRANSPORT CANADA TENDER. IN COURSE DISCUSSIONS, EMBASSY MAY WISH TO REMIND GOC OFFICIALS OF SUCCESS ENJOYED BY CANADIAN RAILCAR MANUFACTURERS SELLING TO OFFICIAL ENTITIES IN U.S. PER PARA 4. WOULD APPRECIATE REPORT ON CONVERSATIONS.
VANCE

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Sent Date: 07-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE078272
Document Source: CORE
Document Unique ID: 00
Drafter: OED/MEPD/JLSMITH/MM
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770122-1069
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770476/aaaacofr.tel
Line Count: 114
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f61349a8-c288-dd11-92da-001cc4696bcc
Office: ORIGIN COME
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 24-Jan-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2863091
Secure: OPEN
Status: NATIVE
Subject: MAJOR PROJECT: TRANSPORT CANADA RAILCAR PROCUREMENT
TAGS: BENC, CA
To: OTTAWA
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/f61349a8-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009